

**SAN DIEGO COUNTY EMPLOYEES RETIREMENT ASSOCIATION**  
**POLICY REGARDING INCOMPATIBLE ACTIVITIES AND AVOIDING THE APPEARANCE OF**  
**IMPROPRIETY IN ALL OF THE TRUSTEE'S ACTIVITIES**

**I. PURPOSE**

This policy establishes standards of conduct for outside activities applicable to all trustees of the Board of Retirement to further the objectives of the SDCERA Statement of Governance Principles and Code of Ethics, to promote member and public confidence in the integrity of decision-making by the Board of Retirement and to preserve the confidentiality of attorney-client privileged communications. The policy augments Board Governance Policies and is intended to be consistent with state Constitutional, statutory and decisional law. Where there is a conflict between the provisions of this policy and existing law, the latter shall prevail.

**II. GENERAL STATEMENT**

- A. The duties and responsibilities of an elected or appointed trustee must take precedence over other activities of the trustee and a trustee must expect to be the subject of public scrutiny. A trustee must, therefore, accept restrictions on the trustee's conduct that might be viewed as burdensome by other members of the community.

A test for the appearance of impropriety is whether a person aware of the facts might reasonably entertain a doubt that the trustee would be able to act with undivided loyalty.

This policy is mandatory and effective regardless of whether the trustee would receive remuneration or simply acts as a volunteer in an organization.

For purposes of this policy, the term "leadership position" includes having any role in policy making by another organization as well as holding any office, or active committee participation. Membership alone, without active participation, is not prohibited.

**III. GUIDELINES**

- A. In order to maintain high standards of conduct in all of a trustee's activities and to minimize the potential for disqualification, a trustee should not:
1. Occupy an office or leadership position in or act as an advisor to an entity which is adverse to the Association in pending or anticipated legal proceedings;
  2. Occupy an office or leadership position in or act as an advisor to an organization where the organization's interests are incompatible with or could be adverse to the interests of members, beneficiaries or the Association or to the performance of the duties of a trustee;
  3. Occupy an office or leadership position in or act as an advisor to an organization which frequently engages in advocacy concerning matters within the subject matter jurisdiction of the Board;

4. Allow business, associational, political, social or other relationships to influence the trustee's conduct or judgment or to convey the impression that an organization or individual is in a special position to influence the trustee;
5. Personally advise a member or beneficiary concerning the substance of the factual, legal or policy issues relating to the determination of an individual benefit matter which will or may come before the Board for determination;
6. Engage in an activity where he or she is exposed to the temptation of acting contrary to the best interests of the members, beneficiaries or the Association.

#### **IV. DISQUALIFICATION**

- A. A trustee may not participate in or attempt to influence decision-making or attend a closed session concerning matters relating to his or her activities within the ambit of this policy. The trustee shall abstain or shall be disqualified by majority vote of the Board from participating in any aspect of the Board's decision-making process including, but not limited to:
  1. Establishing a quorum;
  2. Participating in deliberations;
  3. Casting a vote; and
  4. Attending a closed session.

#### **V. DISCLOSURE**

- A. Each trustee is responsible for undertaking reasonable efforts to monitor their own activities to assure compliance with this policy. In July of each year or within a reasonable time following commencement of an activity subject to this policy or of assuming the office of trustee subsequent to July, each trustee shall submit a written report to the Chair of memberships, offices and committee work in organizations, associations, unions or clubs and other activities which the trustee believes other trustees, members, beneficiaries or the public might consider relevant to the question of disqualification even if the trustee believes there is no actual basis for disqualification. Other activities subject to this policy shall be disclosed to the Chair immediately upon the trustee's determination that an activity relates to a matter that is or will likely be a future Board agenda item.

The trustees' annual disclosure of outside activities shall be a public record. The Board may in its sound discretion disqualify a trustee from participation in the Board's decision-making process on specific matters for failure to timely comply with the annual disclosure requirement until the report is submitted.

#### **VI. LIMITATIONS**

- A. This policy is not intended to prevent a trustee from engaging in providing public education and information to address topics within the subject matter jurisdiction of the Board of Retirement or participation in outreach activities to promote public understanding of the retirement system.

This policy does not prevent the county treasurer or a member of the Board of Supervisors designated by Government Code § 31520 and §31520.1, respectively, as members of the Board of Retirement, from continuing to maintain their offices in the County of San Diego or restrict their participation in activities necessary to fulfill their duties and responsibilities as elected officials; provided, however, that these statutory designees are also responsible for reasonable monitoring of their own activities which could create a conflict of interest under this policy and must abstain from participation in the Board's decision-making process on any such matters.

**REVIEW**

This policy shall be reviewed by the Board at least every three (3) years and may be amended at any time.

**HISTORY**

August 3, 2006	Adopted, effective immediately
December 3, 2009	Reviewed
April 5, 2012	Reviewed